



CITY OF CARLSBAD - AGENDA BILL

AB#		REPORT ON CITY INVESTMENTS	DEPT. HEAD	
MTG.		AS OF AUGUST 31, 2007	CITY ATTY.	
DEPT.	TRS		CITY MGR.	

RECOMMENDED ACTION:

Accept and file report.

ITEM EXPLANATION:

The City's Investment Policy requires the City Treasurer to report to the City Council on a monthly basis the status of the City's pooled investment portfolio. A quarterly report is also required for the investments of bond proceeds held separately. The City's pooled investment portfolio as of the month ended August 31, 2007 is summarized below.

Pooled Investment Portfolio (Cash and Securities)		
	Current Month	Prior Month
Par Value	535,687,835	554,038,819
Cost of Investments	534,722,530	553,280,969
Amortized Cost (1)	535,663,242	553,847,157
Market Value (2)	535,662,025	551,882,000

- (1) The cost of investments adjusted for amortized premiums and discounts.
- (2) The amount at which the investments could be sold. Source of market values is Union Bank of California's custodial report as of 8/31/07.

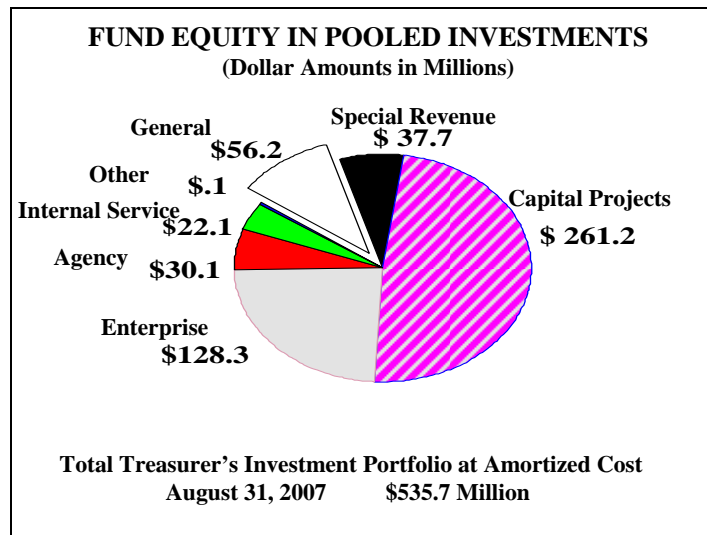
The \$18 million variance between the July and August 2007 cost of investments occurred as a result of the finalization and payment of the \$11.3 million Marbella settlement. Semiannual bond payments totaling \$6.7 million were also made on August 30, 2007.

The equity portion of the various funds in the total portfolio is summarized in the graph on the next page. Fund balances are restricted for various purposes. See Exhibit 7 for a more detailed breakdown.

FOR CITY CLERKS USE ONLY.

COUNCIL ACTION:	APPROVED	<input type="checkbox"/>	CONTINUED TO DATE SPECIFIC	<input type="checkbox"/>	_____
	DENIED	<input type="checkbox"/>	CONTINUED TO DATE UNKNOWN	<input type="checkbox"/>	
	CONTINUED	<input type="checkbox"/>	RETURNED TO STAFF	<input type="checkbox"/>	
	WITHDRAWN	<input type="checkbox"/>	OTHER – SEE MINUTES	<input type="checkbox"/>	
	AMENDED	<input type="checkbox"/>			

DEPARTMENT CONTACT: Nancy Sullivan (760) 602-2473 nsull@ci.carlsbad.ca.us



Pooled Investment Interest Income			
	Current Month FYTD	Prior Month FYTD	Current Month Income
Cash Income Fiscal Year-to-Date *	5,423,698	2,819,087	2,604,611

*The cash income received is adjusted for any accrued interest purchased.

Pooled Investment Performance/M Measurement			
	Average Life (Years)	Average Yield To Maturity	Modified Duration
June 2007	1.87	4.47%	1.686
July 2007	1.86	4.50%	1.681
August 2007	2.02	4.61%	1.831

All pooled investments have been made in accordance with the City's Investment Policy adopted January 2, 1985 and last revised February 13, 2007. All investments were initially made in accordance with the City's Investment Policy. Events subsequent to the purchase might have resulted in some investments not being in compliance with the current policy. These events are typically a change in the City's Investment Policy, a change in the credit rating subsequent to a purchase, or a temporary reduction in total portfolio assets. See Exhibit 8 for details.

The pooled investment portfolio has the ability to meet the City's cash flow demands for the next six (6) months.

EXHIBITS FOR POOLED INVESTMENTS:

1. Investment Portfolio Breakdown By Amortized Cost, Market Value, Cash Income, and Average Yield
2. Investment Portfolio Breakdown Of Maturities
3. Yield Comparison Graph
4. Cumulative Cash Income Graph

**CITY OF CARLSBAD INVESTMENT PORTFOLIO
AS OF AUGUST 31, 2007**

BREAKDOWN BY AMORTIZED COST, MARKET VALUE, CASH INCOME, AND AVERAGE YIELD BY CLASS

<u>Class</u>	<u>AMORTIZED COST</u>		<u>MARKET VALUE</u>		<u>Cash Income Year to Date</u>	<u>AVERAGE YIELD</u>	
	<u>Current Month</u>	<u>Prior Month</u>	<u>Current Month</u>	<u>Prior Month</u>		<u>Current Month</u>	<u>Prior Month</u>
CD	504,092	504,092	504,092	504,092	5,958	4.47	4.69
FN	0	0	0	0	0	0.00	0.00
CP	0	0	0	0	0	0.00	0.00
TR	0	0	0	0	0	0.00	0.00
FA	456,744,385	454,034,343	456,841,887	452,380,454	4,245,390	4.53	4.38
CN	53,160,022	55,048,995	53,061,304	54,737,728	664,443	5.04	4.98
LAIF	22,748,440	42,096,249	22,748,440	42,096,249	487,281	5.25	5.25
CUSTODY	847	-	847	0	1,270	4.72	4.82
SWEEP	2,042,099	1,310,832	2,042,099	1,310,832	19,357	4.00	4.13
BANK ACCT	463,357	852,646	463,357	852,646	0	4.00	4.13
TOTALS	\$535,663,242	\$553,847,157	\$535,662,025	\$551,882,001	\$5,423,698	4.61%	4.50%

CD - Certificate of Deposit
FN - Federal Discount Notes
CP - Corporate Paper

TR - US Treasury
FA - Federal Agency
CN - Corporate Notes

LAIF - Local Agency Investment Fund
Custody - Union Bank of California Cash account
SWEEP - Wells Fargo Bank Overnight Cash account
Bank Account - Wells Fargo Bank Cash account

**CITY OF CARLSBAD INVESTMENT PORTFOLIO
AS OF AUGUST 31, 2007**

BREAKDOWN OF MATURITIES BY CLASSIFICATION AND LENGTH OF TIME

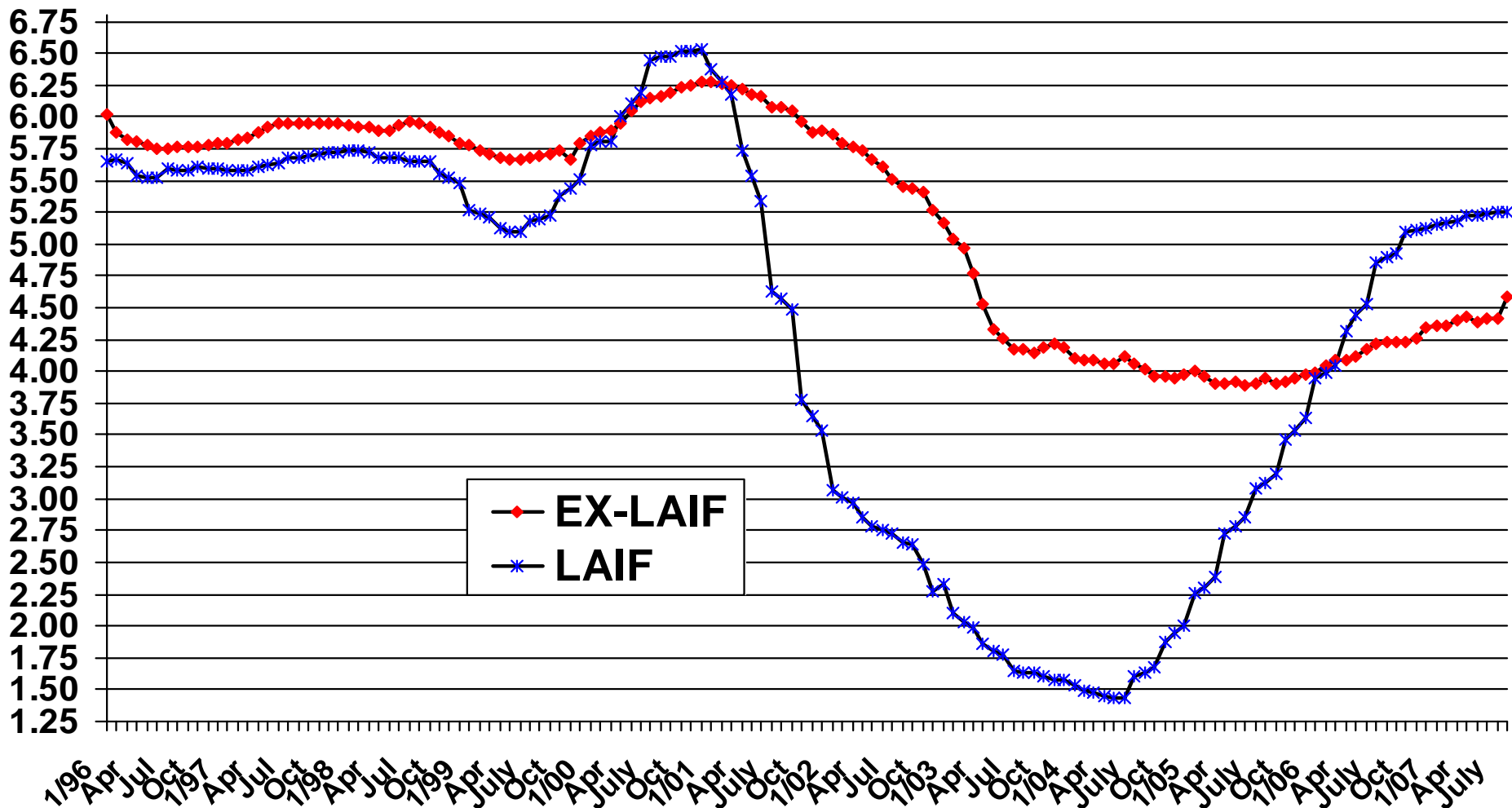
<u>CLASS</u>	<u>WITHIN 6 MONTHS</u>	<u>7 MONTHS TO 1 YEAR</u>	<u>1 TO 5 YEARS</u>	<u>TOTAL</u>	<u>% TOTAL</u>
CD	504,092	0	0	504,092	0.1%
FN	0	0	0	0	0.0%
CP	0	0	0	0	0.0%
TR	0	0	0	0	0.0%
FA	51,783,911	79,722,142	324,313,655	455,819,708	85.2%
CN	0	2,999,690	50,144,297	53,143,987	9.9% (2)
LAIF	22,748,440	0	0	22,748,440	4.3%
CUSTODY	847	0	0	847	0.0%
SWEEP	2,042,099	0	0	2,042,099	0.4%
BANK ACCT	463,357	0	0	463,357	0.1%
TOTALS	\$77,542,745 (1)	\$82,721,832 (1)	\$374,457,952	\$534,722,530	100.0%
% TOTALS	14.5%	15.5%	70.0%	100.0%	
Total within One Year		\$160,264,577 (1) 30.0%			

POLICY: (1) Not less than \$128,200,000 to mature within one year. (2/3rds of current year operating budget of \$192,300,000.00
(2) Policy states that not more than 30% of portfolio is to be invested in corporate notes

YIELD COMPARISON

PORTFOLIO EX-LAIF VS. LAIF

JULY 1996 – AUGUST 2007



Cumulative Cash Income

FY07-08

(July 07 - June 08)

